LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Sixteenth Legislature
22nd Day

Friday, March 15, 1968

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day.

WELCOME TO STUDENTS

Mr. B D. Gallagher: (Yorkton) — Mr. Speaker, I am sure that all Members will want to join me in welcoming a group of grade eight students from St. Mary's school in Yorkton. They are seated in the front two rows in the east gallery and accompanied by their teachers, Mr. Smith and Mr. Baliberda, and their bus driver, Mr. Rohatensky. Those students have already visited the Saskatchewan Telephone Building and the Natural History Museum, and after proceedings today they are going to visit the Saskatchewan Power Corporation Building and the RCMP Barracks. I am sure that all Members will want to join with me in welcoming them and in wishing that they have a most enjoyable and educational day in the capital city. Seeing that Sunday is St. Patrick's Day I want to wish them all the luck of the Irish on their way home.

Some Hon. Members: — Hear, hear!

Hon. D. Boldt: (Rosthern) — Mr. Speaker, I would like to introduce two high school groups from the Rosthern constituency. One is from the Rosthern consolidated high school and the other one from Beth Lake consolidated high school. They are sitting in the west gallery. I am sure that all Members want to wish them a welcome here this afternoon. We hope that their stay here will be informative and educational and we wish them a safe journey home.

Some Hon. Members: — Hear, hear!

Hon. J.C. McIsaac: (Wilkie) — Mr. Speaker, I would like to take this opportunity to introduce to you and to other Members of the House a group of students from Tramping Lake in Saskatchewan. I must say, Mr. Speaker, that it is the first time, since I have been here as a Member, that I have had a group of students down from the constituency to the procedures at the Legislature. Sister Alfreda, their teacher and a number of their parents have accompanied them, 29 in all. They have been here in the city since last night. They have toured some points of interest this morning; they are going to be in the House this afternoon and return home tomorrow morning. I am sure all Members will join with me in welcoming them to this House and wishing them a safe journey back home to Tramping Lake.

Some Hon. Members: — Hear, hear!

Mr. A. Thibault: (Kinistino) — Mr. Speaker, I would like the House to join with me in welcoming a fine group of students from Humphrey high school in Kinistino. This is an annual event for the grade 12s from that unit to visit the Legislature in the city of Regina. I am not going to give you a list of all the places they visit, but they certainly enjoy the trip down here. I hope that our conduct this afternoon will be such that they will have a very pleasant word to take back home. They are led here by their teacher Mr. Lorenz and their bus driver, Mr. Clifford Larson. I want to wish them the best of luck and a safe journey home.

Some Hon. Members: — Hear, hear!

Mr. J.E. Brockelbank: (Saskatoon Mayfair) — Mr. Speaker, I want to take this opportunity again to welcome to this Chamber through you a group of students from Henry Kelsey school in Saskatoon Mayfair. They are situated in the east gallery. It happens that a group of students from Henry Kelsey were down to the Chamber last weekend, Mr. Speaker. At that time they were accompanied by their Principal, Mr. Russell, and my seatmate had the honor of introducing that group of students. I just wanted to take a moment to say something about Mr. Russell. He is a person who takes a great deal of pride in the history of Canada and Saskatchewan and he has practical projects going on in his school that illustrate that he and his students are really interested in our historic past and our achievements. The students today, I understand, are accompanied by Mr. Russell, as well.

Some Hon. Members: — Hear, hear!

ANNOUNCEMENTS

GOVERNOR GENERAL OF CANADA

Hon. W.R. Thatcher: (Premier) — Mr. Speaker, I wish to announce to the House that His Excellency the Governor General of Canada will pay an official visit to the Province of Saskatchewan, May 14th, 15th and. 16th. The Government, co-operating with His Hon. The Lieutenant Governor, will be planning a suitable itinerary for His Excellency including a state banquet in Regina on May 14th (if the Hon. Member for Turtleford (Mr. Wooff) doesn’t object). While in Saskatchewan, His Excellency will be receiving an honorary degree from the University of Saskatchewan, Regina campus.

Some Hon. Members: — Hear, hear!

ST. PATRICK’S DAY TRIBUTES

Mr. E. Whelan: (Regina North West) — Mr. Speaker, before the Orders of the Day it is almost heresy to wish an Irishman luck on March 15th, but since it falls on Sunday and we won’t be sitting, may I say to all those lovable

and peaceful and fearless and brilliant Irishmen, wherever they are, and to all those who would like to be Irish, may their St. Patrick's Day be happy and may their fortunes never fade.

Some Hon. Members: — Hear, hear!

Mr. G.T. Snyder: (Moose Jaw North) — Mr. Speaker, on this important day, I think it would be most appropriate for a Member who is not of Irish ancestry to say a word in defence of those who are not represented by the Whelans, the Gallaghers and the Steuarts in this House. I think there is little question, Mr. Speaker, about the numerous sterling qualities of Irish people, and there is little chance of our forgetting because they insist on reminding us on a regular basis. However, Mr. Speaker, they have never attempted to lay claim to the qualities of humility or tolerance of those who have roots somewhere else other than in the Emerald Isle. There is a story I believe, Mr. Speaker, which demonstrates this point and it seems that Patty O'Rourke had been elected as Mayor of a town in southern Ireland on six successive occasions. On the last three elections he had been unopposed and received an acclamation vote. However, on the seventh occasion a relative newcomer to the town, Abe Finkelstien, had the audacity to contest the election for mayor and when the votes were all counted, Mr. Speaker, Patty O'Rourke had received every vote except two and the populace immediately assumed· that he had received everyone's vote except those of Abe Finkelstien and his wife. When the newly elected Mayor was asked to comment to the press, the only comment to be made by the newly elected Mayor was in saying, "Sure and wouldn't you know those damn Jews would be clannish."

Some Hon. Members: — Hear, hear!

QUESTIONS

HEALTH CARE FOR INDIANS

Mr. A E. Blakeney: (Regina Centre) — Mr. Speaker, before the Orders of the Day I wonder if I might. put a question to the Minister of Public Health (Mr. Grant). Yesterday he indicated that he was in touch with or was getting in touch with the Government at Ottawa with respect to the question of health care for Indians. I wonder if he could, in view of the unease about this and demonstrations in our neighboring provinces, both to the east and west I gather, give the House any indication of what the present situation appears to be?

Hon. G.B. Grant: (Minister of Health) — Mr. Speaker, I have written a strong letter of protest to the Federal Minister of Health criticizing him for the lateness of this announcement and suggesting that if they are planning on proceeding along the course suggested that there should be a conference with Provincial Health Ministers.

SASKATCHEWAN SAVINGS BONDS

Mr. Blakeney: — Mr. Speaker, I wonder if I might direct a further question to the Government. I wondered if the Provincial Treasurer (Mr. Steuart) had any word he could bring to the House with respect to the sales of Saskatchewan Savings Bonds. We've ordinarily had fairly regular reports and we haven't heard anything except the announcement that they were going to be sold.

Hon. D.G. Steuart: (Provincial Treasurer) — I haven't got an up-to-date report. The last time I talked to my officials there was something over $2 million. The lateness of the wheat payment has slowed them down, and I will have a report for the House on the first of the week.

SECOND READINGS

Hon. G.B. Grant, Minister of Public Health, moved second reading of Bill No. 39 — **An Act to amend The Saskatchewan Hospitalization Act**.

He said: Mr. Speaker, by way of an explanation of the amendment proposed, I would like to make some comments. Although the amendment is a relatively short one in words I think that everyone in the House will agree that it will give rise to some discussion and consequently my explanation may be a little fuller in consequence of that possibility.

I think the most important provision of this Bill authorizes the Lieutenant Governor-in-council to prescribe amounts that hospitals may charge patients for services they have received. This amendment is directly related to the problem of the rapid rise in hospital costs. To view the costs of the Saskatchewan Hospital Services Plan in their proper light, it is I think advisable to examine the cost experience of this program since its inception in 1947. The total cost of this program including administration costs has risen very, very markedly in the last 21 years. This is demonstrated by the following figures: 1947 — $7 million; 1951 — $14 million; 1956 — $22 million; 1961 — $36 million; 1965 — $53 million; 1966 — $58 million; 1967 — $63 million. Mr. Speaker, I do not intend to dwell upon the comparison of cost between 1967 and the cost incurred some 15 or 20 years ago. However, it should be noted that last year's costs are some $27 million or 75 per cent higher than the cost incurred in 1961, only six years ago. I should also mention that in the last two years the costs have risen about $5 million a year or close to 10 per cent. The comparison of costs on a per capita basis also indicates a remarkable increase. In 1947 the per capita cost was $9.68 while in 1961 the per capita cost of $39.96; by 1967 the per capita cost had risen to $66.14. Mr. Speaker, I believe the Government has made clear its right to charge utilization fees on medical care based not only on the recommendation of authorities but also on legislation passed in

the 1961 session. It is somewhat difficult in speaking on these proposed amendments not to get into the area of utilization fees on medicare and I trust the Members of the House will bear with me in this regard. I intend now to point out why it is imperative that we introduce utilization fees for hospitals as well as medicare utilization fees, if we are to give the principles behind these fees a fair chance.

In fact indications are that the greatest abuse of health privileges is occurring in the use of hospital services. Utilization fees for medical care alone only encourage abuse of hospital services. Consider the Swift Current experience where utilization fees for medical care have existed since 1953 without corresponding utilization fees for hospitals. Hospital utilization per thousand population is 20 per cent higher in Swift Current than it is in the rest of the province, while physician services in that area are almost the same or lower per thousand population in all categories except hospital business. Hospital visits are 80 per cent higher. This points out that hospitals will be over-utilized even more, if utilization fees are applied to medicare only. Patients and doctors tend to consider a service free when they are not asked to participate directly in the cost involved. The Leader of the Opposition has accused us of not believing in people. We are merely recognizing that humans are capable of irresponsible actions when there is nothing to remind them of the consequences. We already have a problem of an over-supply of hospital beds. Why should we aggravate it by encouraging abuses? Possibly this is what the Hon. Leader of the Opposition (Mr. Lloyd) wants. Our experience in Saskatchewan has been that where hospital services are available Parkinson 's law applies. Demand seems to always meet supply and often exceeds it. Utilization of Saskatchewan's hospitals amounted to 2,062 patient days per year per thousand population in 1966. For the same year the Canadian average was 1526. The difference is accounted for by demand rather than by need. The utilization fees we are asking is a token amount to remind the user that a substantially larger amount comes out of the provincia1 coffers. This is a measure which is intended to contro1 responsible demands. With our present open-ended scheme costs are rising at twice the rate of our national product. We must establish a relationship between need and supply and we must be realistic on the demands we will meet from the public coffers. With existing medical care and hospital schemes we have no demand controls on hospitals, patients or doctors. This encourages an attitude of "I pay my share so I'll make sure I get my money's worth." Such demands have wreaked havoc in Britain have endangered Saskatchewan's health schemes and posed a threat to any new schemes where controls are not imposed. Compulsory participation in health schemes is a potentially dangerous situation. It is likely to create a resentment among those who have immediate health needs, and they can express their resentment in indiscriminate utilization. As long as this compulsion exists it must be coupled with responsible controlled measures.

The whole question of compulsion is an important one to this Government. Utilization fees allow a beneficiary to know that

he is participating in his recovery. The very fact that many of our citizens object to utilization fees shows that they feel that they have already paid for their health with their premiums, yet that premium provides only 20 per cent of the revenue required. We must realize that the right to help is not the same as the right to see a doctor because you have paid for it. Whenever a Government undertakes to assume responsibility for providing a service for people, abuse and overuse seem to be almost automatic.

Mr. Speaker, I would like to quote from a publication prepared by J.E. Powell, the former Minister of Health in Great Britain, reading as follows:

> From the point of view of its recipients Exchequer money is for all practical purposes unlimited. The consequences elsewhere of an increase in a particular expenditure are infinitely remote and unascertainable and no sense of responsibility for justifying even the present level of expenditure is felt by those concerned. The natural limitations on any expenditure that it is in competition with all other objects of expenditure are transformed for those using or operating on Exchequer finance service into the arbitrary decision of identifiable politicians.

Reading from another section of this same publication:

> The fact that demand for medical care is potentially unlimited does not distinguish it from demand for most of the other good things of human life. In those other cases, however, limits are placed on the fulfilment of the demand by the impersonal forces of circumstances. It is noticeable and significant that human needs become good things in this sense only when or in proportion as public responsibility is taken for supplying them. For example food and clothing, though surely as basically good as medical care or education, are not regarded in the same light. It is a sad fact that whenever someone else provides for our need there appears to be a lack of responsibility on the part of some citizens. It is an unfortunate state of affairs at our age that we all do not exercise the same caution and care of services and property provided or owned by others, as we do where we pay directly for the services or the product ourselves. The new generation is continually looking for new fields to conquer. I suggest they have a good area to work in, namely the task of instilling in humans the need for responsible action, whether it is in the area of respect for other people's property or in the area of respect for services provided by Government through taxation. It is regrettable that when a Government program is used unwisely by some, all must suffer. We are all restricted in our activities by the inconsiderate action of small minorities.

Let's not be so naive as to feel that the Saskatchewan

Hospital plan is immune from overuse or misuse. It has been, is now and will be in the future unless steps are taken to involve users in some degree and thereby enhance responsibility.

It is very easy to excuse ourselves by saying that only a doctor can admit or discharge. This is true, but because there is no demand control there is no patient resistance to doctor over-utilization. I am sure that the medical profession recognizes some of their members do not exercise the degree of control on admissions and discharges recognized as being of an acceptable standard. I am hopeful that the doctors will also demonstrate additional responsibility. If there are any doubts in your mind about utilization, let me point out and remind you of the statistics quoted earlier, namely the Saskatchewan patient days per 1,000 — 2,062, the average for Canada 1526. The nearest competitor, the province of Alberta — 1611. These are the provinces with the highest utilization rates in Canada, Alberta and Saskatchewan. Saskatchewan is using hospital beds at a rate 25 per cent higher than our nearest competitor and one-third above the Canadian average. Let me also point out that, if every patient hospitalized stayed just one extra day, the cost to the taxpayer would be an extra $6 million. If we can effect real savings we must do so.

Mr. Speaker, the Government's concern with respect to rising cost relates not only to the Saskatchewan Hospital Services Plan but to all other programs being financed by the province. If we are to be realistic we must agree that there is a limit to the capacity of our Province to pay for services. The Government has examined the Saskatchewan Hospital Services plan and has decided that some measures must be taken to curb the continuously increase of cost. It was concluded that the person utilizing the service should assume a further financial responsibility for the program. These amendments therefore provide the authority for hospitals to impose utilization charges against patients.

Mr. Speaker, there are some other amendments but I will finish my remarks concerning utilization fees. I feel that it is only right and proper to give to this House the main contents of regulations that are anticipated and in doing so I trust the Members will bear with me while I also refer to medical care utilization fees. These will be as follows: $1.50 for all office visits irrespective of whether more than one visit occurs in one day, and whether the patient is referred except where the cost of the service is listed at less than $3 in the fee schedules; $2·for home and emergency visit by a physician including visit by a physician to a patient as an outpatient in a hospital, except where the cost of the service is listed as less than $3 in the fee schedule. These utilization fees will apply both in the province and outside the province. There will be no utilization fee for physician services rendered to inpatients in hospital. Under the Saskatchewan Hospital Services Plan the proposed charge is $2.50 per day for the first 30 days, $1.50 per day from the 31st to the 90th day. No charge will be levied for inpatient days in excess of 90 continuous hospital days. These charges will apply irrespective of whether the

patient is transferred from one hospital to another hospital, provided that hospitalization is on a continuous basis. The utilization fee will be charged on the day of admission but not for the day on which the patient is discharged. These charges will not be levied for hospital service rendered outside Saskatchewan.

With regards to cancer care, utilization for cancer patients having physicians attend them will be provided by the Government. In other words cancer patients will not be responsible for picking up these utilization charges; they will be paid as they have been in the past, all costs by the Government. The same applies to Saskatchewan Assistance Beneficiaries. As for Treaty Indians and War Veterans' Allowance recipients, these will be handled in the usual way we hope, in spite of the recent announcement on the responsibility of the Federal Government. No co-insurance charge will be levied for x-ray and laboratory service irrespective of where these services are rendered.

Mr. Speaker, I will conclude my remarks about this portion of it by pointing out that the amendments and the Bill authorizes that the Minister of Public Health pay the authorized charges on behalf of certain classes of patients and that the Lieutenant Governor-in-Council may exempt certain classes of patients from the authorized charge.

The Bill contains two other amendments. One amendment relates to a tax collection matter involving a husband and wife who are both in receipt of income. The amendment is merely intended to clarify the point that in such a case the husband will be liable to pay the hospitalization tax on behalf of both himself and his wife. In the past there has been some confusion in this regard.

The other amendment extends by one month the date by which the Annual Report of the Saskatchewan Hospital Services Plan is to be tabled. It will now be required to be tabled by the end of March rather than by the end of February. This amendment will give the staff of the Department an additional month in which to prepare a somewhat more comprehensive report. This amendment will not in any way jeopardize the position of the Members of this Assembly because it will be tabled by the end of March and the session is usually still in session by that time.

Mr. Speaker, this covers the remarks that I wish to make at this time and I move that this Bill be read a second time.

Hon. W S. Lloyd: (Leader of the Opposition) — Mr. Speaker, before the Minister takes his seat, is he going to table the proposed regulations?

Mr. Grant: — Yes, I will be pleased to table these, Mr. Speaker.

Mr. J.E. Brockelbank: (Saskatoon Mayfair) — Mr. Speaker, could I ask the Minister a question before he takes his seat? You mentioned in regard to hospital utilization fees that the fee would be discontinued after 90 continuous days. Now do you make no provision for the aggregate total over a period of a fiscal year?

Mr. Grant: — No, there is no provision.

Mr. A.E. Blakeney: (Regina Centre) — Mr. Speaker, would the Minister before he takes his seat make a comment on newborns. There has been some talk about that.

Mr. Grant: — I am sorry, Mr. Speaker, I should have clarified that point. There will be no charge for newborns.

Mr. C.G. Willis: (Melfort-Tisdale) — The Minister made the statement that the date of admission would count. Does this mean that if the patient comes into the hospital at 10 o'clock at night he is charged $2.50? If he goes out the next day, he is charged $5 for those two days?

Mr. Grant: — The Hon. Member wasn't listening, Mr. Speaker, I said they would be charged the day of admission but they would not be charged for the day they were discharged.

Mr. W.E. Smishek: (Regina North East) — Mr. Speaker, perhaps in starting debate on this Bill, one might go to no more important body and health organization than the world Health Organization which in the preamble to its constitution states:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest co-operation of individuals and the states.
>
> The achievement of any state in the promotion and the protection of health is of value to all.
>
> Unequal development indifferent countries in the promotion of health and control of disease, especially communicable disease, is a common danger.
>
> The extension to all people of the benefits of medical, psychological, and related knowledge is essential to the fullest attainment of health.

informed opinion and active co-operation on the part of the public are of the utmost importance in the improvement of the health of the people.

Governments have a responsibility for the health of their people which can be fulfilled only by the provision of adequate health and social measures.

Mr. Speaker, I suggest that this is an appropriate basis for us to start discussion on this vital question of health services. Friday, March 1, 1968 has been described by many citizens of Saskatchewan as the Black Friday. This is so because this Saskatchewan Liberal Government announced on that day the crucifixion of two of the most humane public health plans, the Hospital Services Plan and the Medicare Plan. We on this side of the House are very sensitive, Mr. Speaker, and very much concerned about these Plans, not just because it was the CCF Government that gave birth and allowed these plans to grow and develop, but for a much more fundamental reason; because these public health plans saved thousands and thousands of lives and we value life very dearly; because they prevented human suffering and pain; because they prevented bankruptcy and life-long debts; because they gave hope, life, and dignity to all people regardless of their means; because every pensioner knew that he could go for a medical check-up, get all the necessary medical attention, get the services that were required in the hospital without being burdened with large medical bills. But no more, Mr. Speaker. From the old age pensioner who now receives a cheque of $75 and who happens to go to the hospital for a period of 30 days, this Government is going to take his old age security cheque away. Every mother was given the security that, if her child got sick, she didn't have to worry about taking money out of the family's food budget in order to pay the medical and hospital bills. She knew that her family would not have to go without milk, because milk dollars would have to be saved for hospital and medical care. She had security, Mr. Speaker, but no more! With the $2.50 or $1.50 daily hospital deterrent fee just elaborated on by the Minister of Health (Mr. Grant), when a member of a poor family becomes hospitalized they will not be able to have that Sunday roast any longer. Johnny will have to wait longer to get his new pair of shoes and Mary will have to wait for a longer time to get her dress. No treats for the kids, no toys for the children, because if a family member just happens to be hospitalized for one month, Mr. Speaker, that $75 is one week's pay for a great number of Saskatchewan workers.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Speaker, today is a sad day for the people of Saskatchewan. That black curtain was drawn lower. The Minister of Health (Mr. Grant) who just moved second reading of Bill No. 39, really played a funeral march. It was a gravedigger's chant. It is a day that will be remembered in the history of Saskatchewan, when the Liberal Government put an end to an era

of over 21 years of free hospital care.

Mr. Speaker, in our society, we have accepted that when a man reaches the age of 21 he is extended full rights. We say to him you are grown up. We say that you are now a man. You have proven yourself. But in the Saskatchewan Liberal society, at 21 years of age, you are deterred, retarded, sent back to the kindergarten. One year from now, Mr. Speaker, the Liberals will be celebrating their 50th anniversary of the time when they included in their election platform an item that the Liberal party stands for a prepaid public health service plan for hospitalization and medical care. It was in 1919 they made that decision. Almost 50 years have gone by, but no Liberal Government in Ottawa or in any province has yet to move first with the implementation of either a medical or hospital plan, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — It took a CCF Government to lead the way. It took a Conservative Government in Ottawa to agree to Federal sharing of hospital plans. Now, Mr. Speaker, I suggest that once the national leadership contest is over, next month, I predict that shortly after we will have an announcement that on July 1st, 1968 which has been set for· the introduction of the national Medicare plan, it will be scrapped. The Federal Minister of Health gave Canada a reassurance of that yesterday when I watched him confirm on a television broadcast that the Federal Government is dropping the Treaty Indians from the Federal Government's responsibility from health services. That's the way the Liberals treat our native Canadians. Mr. Speaker, I want to remind this Government of the promise it made in 1964. The Liberals said this, that they would maintain medical care and hospital insurance and would extend it to cover drug care. There was no mention of deterrent fees. There was no mention of undermining of these plans, either in the 1964 campaign or during the 1967 campaign. They promised to maintain them. You know some 20 years ago, an elderly gentleman told me never to trust a Liberal party promise. How true, Mr. Speaker, how true. On March 1, the people of Saskatchewan read in the newspapers and heard on the radio and television that the Government would be introducing the so-called utilization fees for hospital and medical care of $2.50 and $1.50 per day in the hospital. The utilization fee for medicare would be $1.50 and $2.00, and the Minister has just repeated that. I am sure that there was a freezing chill running through everybody's mind and through everybody's body, when they heard those announcements. It was a crucial and inhuman blow to the people of Saskatchewan, not only because it was a major tax imposition on the people, but because it was a major erosion of the two most humane plans legislated by the former Government. The introduction of deterrent fees is a deliberate attempt to undermine these two health services.

I want to commend my colleagues for their sharp criticism they have already extended during previous debates on this proposal of the Government. You know, Mr. Speaker, for many

years public health services, their administration cost and their extension have been of special interest to me. I am convinced and I am sure that many are convinced here, that without good health there is nothing. There is no life. We in the New Democratic party believe that the provision of health services is a public responsibility. We believe they should be made available without any restrictions to all citizens. We subscribe to the belief that the provision of the best possible health care, equality of opportunities for education, and good homes for all of our citizens are fundamental freedoms which must be extended to all, not eroded and not deterred, Mr. Speaker.

In the years 1960, ‘61 and ‘62, I had the opportunity of serving on the Advisory Planning Committee of Medical Care, better known as the Thompson Committee. The other day the Hon. Member for Regina South West (Mr. McPherson) reminded this House that both he and I had the privilege of serving on the Advisory Planning Committee on Medicare. He represented the Saskatchewan Chamber of Commerce and I represented the Saskatchewan Federation of Labour. So as to. place the records straight in the light of last night’s debate, his name was submitted by the Saskatchewan Chamber of Commerce to the former Government. and he was accepted. Similarly my name was submitted by the Saskatchewan Federation of Labour and I was accepted to act on that Committee. It was a Committee composed of 12 people. We had many meetings. We had many discussions. There were several major differences between the views that he held and I held in respect of public health services. He opposed medicare, I supported medicare. He supported deterrent fees, I opposed deterrent fees. I can tell this House, with some personal satisfaction, that I moved the motion which read this way:

> The Medical Care Plan shall provide for universal coverage and require all Saskatchewan residents who are able to do so, to pay premiums or taxes to finance the Plan. The Plan should not require residents or providers of services who do not wish to avail themselves of the benefits of the Plan to do so.

Really it was this motion that set the tone of our discussions and the development of the Plan that was eventually recommended. I’m pleased to be able to tell this House that I was the mover of that motion. I can also tell you that it was Dr. Houston representing the College of Physicians and Surgeons who seconded that motion.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — You know there was another major difference between the position and the actions of the Hon. Member from Regina South West (Mr. McPherson) and me. He purports to be an expert in health services. He has been a member of the Regina Hospital Board for many years. He has been chairman of that Board for many years. The other day when he took part in a debate he stated that he favored deterrent fees, it didn’t surprise me.

It didn't surprise me at all, because while he purports to be an expert, I wonder whether he really gives the matter of health services as much attention as he purports to. The difference when we served on the Thompson Committee was that I attended all but one meeting and participated in pretty well all the activities in the Committee. The Hon. Member was a kind of a sporadic member, he was on and off.

I want to refer again to the report of the Thompson Committee. You will note that in chapter one of the second part of the Report on page one, the Committee documents the number of meetings that were held. The Committee's sources of information and advice and its method of study are outlined in the interim report. Prior to submission of that Report on September 25, 1961, we held 23 meetings for a total of 43 days, conducted 33 public and seven private hearings for a total of nine days, examined 49 briefs which had been submitted by professional organizations, community agencies and individuals and studied more than 50 documents. The Report goes on to say that part of the Committee travelled to New Zealand and to Australia. Some of us went to the Scandinavian countries and to Britain. This was in connection with us trying to find out what services are available in other countries and how they are administered, how they are financed and how they are received by the people. This section goes on and says that since the interim report was submitted we have held 14 additional committee meetings covering 27 days. We have met with representatives since then of other organizations and considered their representations. In the beginning of the Report there is a notation in reference to all Committee members. It is interesting to note that the representative of the Saskatchewan Chamber of Commerce, Mr. Donald McPherson, who signed the minority reports has an asterisk showing that this member did not attend Committee meetings after the submission of the interim report.

Mr. Speaker, I want to draw the attention of this House that, after the interim report was submitted, the Committee gave studies to many, many programs we nave in Saskatchewan, the Mental Health program; we studied Dental Health; we considered drugs; we considered special aspects of eye care; the cancer services; tuberculosis; rehabilitation; home care; medical care under WCB; provisions of health services under the Automobile Accident Insurance; nursing education and services; medical education and training; medical research; national health grants; and we also had a cursory examination of the provision of hospital services. At the same time there was the Hospital Survey Committee considering its report. I draw that to the attention of this Legislature to tell you that the Hon. Member's interests and the expertise position he tried to portray, are somewhat lacking, and therefore the representations he has already made, are subject to question, because his knowledge is not as broad as the impression he would try to leave with this Legislature.

You know, Mr. Speaker, after the Provincial election, it was rumored the Premier was considering appointing the Hon.

Member for Regina South West (Mr. McPherson) as the Minister of Public Health. You know, if deterrent fees are based on, size or weight of men who occupy the portfolio of health, all I can say is that we should be thankful that the Hon. Premier didn't appoint the Hon. Member from Regina South West as the Minister of Health, because we would be having much heftier deterrent fees than are proposed now.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Speaker, the Hon. Member for Regina South West claims that hospital admissions and hospital stays are abused. Well, I, for one, would like to ask him as chairman of the Regina Hospital Board, what kind of abuses there are, and I would also like to ask him what has he done about correcting the abuses.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Is he suggesting that the doctors of the city of Regina and community are irresponsible? Is he suggesting that the people want to stay in the hospital just for the sake of staying in a hospital? For free meals and free rooms? Mr. Speaker, I do not accept that kind of an argument. I don't believe that the people of Saskatchewan are irresponsible. I don't subscribe to the idea that Saskatchewan doctors are irresponsible, even though there are times when I might differ with them on their approach. However, I reserve the right for them to have their views, Mr. Speaker.

Now, during the three years of study on medical care, I became keenly aware of the importance of us establishing a publicly administered financed comprehensive health service. It was during that study I became conscious that you cannot have a good health service which has built into it deterrent fees, that were advocated by some. It was for that reason, Mr. Speaker, I submitted a dissenting report on that particular item. Reference has already been made that there were recommendations by the Thompson Committee to implement deterrent fees. Well, Mr. Speaker, there was the pro and the con argument presented and certainly if anybody has been led to believe that the Thompson Committee recommended deterrent fees, on a holus-bolus, unrestricted basis, I suggest that you read pages 70 and 71 of the Thompson Committee Report, and it will tell you that the Thompson Committee didn't recommend unlimited deterrent fees. In my submission, in my dissent I said this:

> It is my firm view that deterrent charges have no place in a public program of health insurance. Their introduction violates the principles and objectives of health which are to promote good health, to prevent illness, to provide early diagnosis and treatment of disease and to promote rehabilitation.

Deterrent charges are characteristic devices of the private insurance companies. Insurance companies apply these measures in their sickness policies essentially to protect their insurance funds and safeguard the profits. One expects this. One does not expect a public program to utilize these measures. It is argued that deterrent charges are intended to prevent over-utilization, that is to deter insured beneficiaries from making unnecessary or frivolous demands for service. This, in turn, implies that the average citizen is in a position to judge in every situation whether or not he should seek the advice or care of his physician. The physician as well as the patient has a contributory responsibility to ensure that his services are wisely used. Deterrent charges, if they are to succeed in achieving their intended effect, are also liable to produce the opposite effect. They can lead to under-utilization by discouraging patients from seeking advice in the early stages of illness when symptoms may appear inconsequential. It is well known that early detection of illness and the prompt introduction of effective treatment can often prevent complications and chronic disability. The early seeking of medical care when any departure from the normal stay occurs is of importance for all ages. Thus, parents, for example, should be encouraged and not deterred from seeking prompt advice and care for their children whose illnesses are usually acute and of short term. Similarly in middle aged and older persons among whom chronic disease is more prevalent and often starts more insidiously, early care is vital. It is illogical and unsound from a health point of view to deter care in the early stages of chronic illness, but to cover all costs once disease has become chronic.

While it is recognized that these charges, by being shifted to the patient, could represent a certain protection to the insurance fund, it must be clearly understood, Mr. Speaker, that they do not protect the insured patient in· any way. On the contrary, the costs for the patient and the total medical bill for the population are increased.

The Minister, in moving second reading of the Bill, made reference to the irresponsibility and inconsiderate actions by some. Mr. Speaker, it is my opinion that a proper and effective use of the service can be encouraged in many positive ways. Of great importance in achieving this result is the education of the public to appreciate the possibilities and the limitations of medical services and to understand how to co-operate with the doctors and the hospital. Both the administrative agencies and all participating physicians have a major responsibility in this task, Mr. Speaker. This Government is prepared to spend thousands of dollars on election propaganda out of public funds, but it is not prepared to spend sufficient money in the health education field.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — And because of their failure it proposes to attack the problem through the imposition of, utilization fees, Mr. Speaker.

What I said in 1961 in my dissenting report is just as true today, Mr. Speaker. The Provincial Treasurer (Mr. Steuart) tried to disguise the deterrent fee and so did the Minister of Health (Mr. Grant) by calling them utilization fees. The term is simply an euphemism to disguise the fact that the person using the services has to cover a part of it entirely out of his own pocket. The purpose of deterrent charges is obvious from its very name, Mr. Speaker. It is to discourage the would-be patient from availing himself of the service. It has already been proven and pointed out that what is a deterrent for one person is not for another. The well-to-do can indulge in their whims, while those financially less well-to-do are not able to. Deterrent charges tend to concentrate on the low-income groups. Yet it is these very low income groups which are in the most need of medical care, Mr. Speaker, according to the Canadian Sickness Survey. You know, Mr. Speaker, I told earlier that I was proud of serving on the Advisory Planning Committee on Medical Care. Not only was it a personal experience, an experience that I shall never forget, it gave me a better appreciation of how important it is for the public to assume the responsibility for the health services of its people.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — I was very proud when the Saskatchewan Federation of Labour whom I represented on that Committee submitted to the Thompson Committee one of the two most important documents, most important briefs that appeared before the Thompson Committee. One of the main submissions was that of the Saskatchewan College of Physicians and Surgeons; the other main submission was that of the Saskatchewan Federation of Labour. This was acknowledged by the Committee; this was acknowledged by people outside the Committee. I was glad that organized labor despite the accusations that are being made by Members opposite, was able to give that type of leadership . . .

Hon. L.P. Coderre: (Minister of Labour) — Louder!

Mr. Smishek: — . . . was able to give direction in what I believe to be one of the most important areas of action that followed from the Report of the Thompson Committee. We said this, as a Labor movement, "that the health needs of Canadian people can best be served by a public health care program." We said that it is our principal position that such a public health care program should be comprehensive in scope, that is it should provide health care in the fullest sense of the term. Services should include the prevention, diagnosis and treatment of illness, the rehabilitation of those disabled and ill and the provision of drugs and appliances. The services of the program should be universally provided without regard to means. It should seek to provide health care of the highest quality. It should be so organized as to provide optimum distribution and co-ordination of the various

types of health services agencies and personnel. It should take the necessary step to fill existing needs for health care, personnel, professional as well as technical and facilities so that comprehensive health care can be made available to everyone in Canada. It should be administered by the Department of Health at the Federal, provincial and local levels with the objective that all existing and new health services will be effectively co-ordinated. It should provide for an advisory council as part of its administrative structure, such council being representative of the interests of those who benefit from as well as those providing health services. It should include an appeal procedure — and finally, Mr. Speaker, it should be equitably financed and free from any co-insurance, deductible or other financial deterrents against its full use. Mr. Speaker, these principles that were annunciated by the Federation in its submission to the Thompson Committee became part of the guidelines that we followed. Naturally, there were different views that were expressed by other people. They were also taken into consideration.

Mr. Speaker, the other day my colleague from Regina Centre (Mr. Blakeney) described these proposed deterrent fees as a 'sick tax'. It is a tax that falls most heavily and unfairly on those least able to pay. The Provincial Treasurer is going to gouge millions of dollars of additional taxes from the poor. If the hospital deterrent fees are going to be adopted, as they were outlined earlier by the Minister of Health, then those people who are unfortunate enough and need hospital care will be required to pay between eight and 10 per cent of the total hospital bill of the Province, directly out of their pockets., and almost twice that amount or twice that percentage in respect of medical care, Mr. Speaker. It should be noted that these extra direct hospital charges, despite the statistics the Minister has given us as being charged on the patient, are being imposed at a time when in this province we are experiencing a decrease in hospital use. Between 1965 and 1966, there was a reduction of 37,000 hospital days. The average day stay for adult and children groups dropped from 9.6 to 9.5 in that one year period. In a15-year period between 1951 and 1966 the hospital days of stay have declined from 11.1 days to 9.5 days. In the case of infants it dropped in that same period from 8.6 to 6.5, Mr. Speaker. So when the Minister of Health alleges that there is a substantial hospital over-utilization, I submit that there is something lacking in the figures that he is quoting to us. The truth is that over the years there has been a substantial reduction of hospital stay, utilization is on the decrease and will continue to decrease as the health of our people is improved, because we have had a Medical Care Plan available to all the people without any deterrent charges.

I ask the Minister of Health (Mr, Grant) and I ask the Government to advise this House of whether it has received any recommendations, any proposals in recent months to impose these deterrent fees that have been placed before us. Have any hospital boards asked for them, has the medical profession asked for them, have other groups directly interested and associated

with health services asked for them, have the people of Saskatchewan asked for them. I ask the Government to table in this Assembly any specific briefs and representations it has received in recent months in respect of deterrent fees so that we can properly examine them.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — I have already reminded the Members of the Government that in 1964 they made a promise that they would extend health services to provide drug care. Three years later in this House the Premier told us that before a drug plan is introduced there would be a plebiscite. The Premier also told us that before any new health or welfare services are implemented by this Government, it would hold a plebiscite. Mr. Speaker, I submit this Government is proposing to introduce in this Province two new health plans, a deterrent hospital plan and a deterrent medical care plan. Deterrent health plans are new and foreign to the people of Saskatchewan. Let's have a plebiscite before they are introduced. Let's give the people a chance to express their views on whether they want these exorbitant deterrent charges, on whether they want these additional inhuman taxes imposed upon them.

Mr. Speaker, there are other things that concern me about this Bill. One of my concerns is: how will it be administered? We need a clarification whether deterrents apply in a similar way, as we now have in private wards or semi-private wards where a person has to place a deposit with the hospital. As a result of the deterrent fees will the patient, before he is admitted to the hospital, have to place a deposit with the hospital. I ask the Government to give us an answer. I want to know, Mr. Speaker, whether this Government can give us an assurance that these deterrent charges that have been announced by the Minister today, are going to be $2.50 this Friday and on Monday are they going to be $3 and by next Friday are they going to be $5, because really what this Government is asking in this Bill is a carte blanche policy. They can by Order-in-Council establish the deterrent fees at $2.50 and $1.50 today and tomorrow they can increase them. This is not acceptable. The people of Saskatchewan should know specifically and this Legislature should be given an opportunity to vote on specific deterrent charges. This Legislature has a right to review them from time to time. They should not be introduced and implemented by Order-in-Council.

Mr. Speaker, in the last few days I have been receiving telephone calls, I have been receiving letters, telegrams and petitions from people urging me to do everything possible to resist the introduction of these vicious deterrent fees that are before us. I shall do everything in my power to prevent their introduction, Mr. Speaker. There is one piece of information that I think is very vital for this House to have before we carry on with the discussion and that is the Annual Report of the Hospital Services Plan. We have had tabled the Medical Care Report, we

have had the vital statistics Report filed with us, but we still don't have the Annual Report of the Hospital Services plan.

Mr. Grant: — On a point of order, Mr. Speaker, the Report that the Hon. Member refers to was tabled some time ago. I pointed out at that time that the printed copies were not available at that time, but will be distributed to them as soon as they came from the printers. A copy has been tabled with the House.

Mr. Smishek: — Well, the Minister might be right that it has been tabled here, but we certainly haven't got copies and certainly it is important for us to be able to study that Report before any future discussions. It is for that reason, Mr. Speaker, I would like to examine the Report, because I would like to see what is in it. I'd like to make some further remarks at a future time, but in closing the discussion for today, Mr. speaker, I would like to bring to the attention of the Government Members the remarks of a person whom I think they regard quite highly as I think most of the people in the world thought of him as a great leader, in many areas, I quote no other but the Hon. Winston Churchill who in 1944 said:

> The discoveries of healing science must be the inheritance of all, that is clear. Disease must be attacked whether it appears in the poorest or the richest man or woman, simply on the ground that it is an enemy. It must be attacked in the same way that the fire brigade will give its full assistance to the humble cottage as readily as it will give it to the most important mansion. Our policy is to create a national health service in order to assure that everybody in the country, irrespective of their means, age, sex or occupation, shall have equal opportunity to benefit from the best and most up-to-date medical and allied services available.

Mr. Speaker, as I have more to say in respect to this Bill, I beg leave to adjourn the debate.

Debate adjourned.

Hon. D.V. Heald (Attorney General and provincial Secretary) moved second reading of Bill No. 16 — **An Act to Facilitate the Enforcement of Maintenance Orders**.

He said: Mr. Speaker, this proposed new Act entitled The Reciprocal Enforcement of Maintenance Orders is proposed to replace the present Act which is known as The Maintenance Orders Facilities for Enforcement Act. The change in name necessitates minor amendments to two other statutes, The Deserted Wives and Children's Maintenance Act and The Attachment. of Debts Act. The amendments to these two statutes are included as sections 23 and 24 of this Bill.

The purpose of the proposed new Act is to revise, consolidate and update our present legislation respecting enforcement of maintenance orders to bring the legislation into conformity with the model Bill which has been prepared by the Conference of Commissioners on the Uniformity of Legislation in Canada. The present Act is the Uniform Act which was prepared by the Uniformity Commission in 1946 and enacted in this province in 1946. Since 1946, the conference has made several amendments to the Uniform Act and one of the purposes of the present Bill is to include these recent amendments. Mr. Speaker, all Provinces in Canada at the present time except Quebec are reciprocating states. In addition to the Provinces of Canada, the following other territories are reciprocating states; the Yukon Territories; the Northwest Territories; New Zealand; the Isle of Man; Queensland, Australia; Victoria, Australia; New South Wales, Australia; Australian Capital Territory; the states of Jersey and Guernsey; Colony of Southern Rhodesia; the Territory of Papua and New Guinea; England, and Ireland. Existing reciprocating states will continue to be reciprocating states under the new legislation. So, Mr. Speaker, these deserting husbands, which happens very often have increasingly fewer places that they can go, where the reciprocating status does not apply to them, and I hope that we can continue to expand the number of states that are reciprocating states in the world. Now the new features of this Bill are: first of all there is an expanded definition of maintenance order. This is in Section 2. (d), and it will include now such additional things as divorce decrees which were not included before, that's maintenance as part of a divorce decree, my friends will know what I'm talking about; secondly, a provision that a maintenance order does not fail to be a maintenance order within the meaning of clause (d) of subsection 1 solely by reason of the fact that it maybe varied by the court by which the order was made. Then there is a provision for enforcement of the order. An order may now be enforced, as if it were an order made under The Deserted Wives and Children's Maintenance Act which would include provisions for imprisonment in the case of default. Then there is a section dealing with lack of jurisdiction in the court of a reciprocating state. The court in this province may refuse to register a maintenance order made by reciprocating states that lack jurisdiction to make the order. This is Section 4. The provision that a resident may apply the words and I quote: "On the application of the dependant who is a resident in the province" has been added to Section 6 to make it clear that the court in the area of the residence of the applicant has jurisdiction to grant an order. Then a new appeal provision has been added. Those are the salient differences in the Bill. A general comment would be that it updates the old Act, puts it in conformity with the uniform legislation which has been recommended by the Conference of Commissioners on Uniformity and improves to some extent at any rate the rights of a wife or a deserted wife and deserted children, who have a maintenance order and the husband or the ex-husband has left the jurisdiction and has gone to another jurisdiction. It puts her in a little better position than she's been heretofore to have this order enforced, so that she will get maintenance and

that her children will get maintenance from her husband or ex-husband.

Mr. R. Romanow: (Saskatoon Riversdale) — Mr. Speaker, first of all I want to commend the Attorney General on the Bill that most of us, in fact all of us, I'm sure on this side feel is a very fine Bill in principle. I want to make it very clear at the outset that we are not going to be opposing the principal features of this particular proposed enactment. However, in rising on second reading, Mr. Speaker, I would like to point out what some Members on this side of the House feel is a recurring and continuing problem, not only with respect to this Bill, but other Bills in related areas, The Deserted Wives and Children's Maintenance Act and any other Bills that may have some jurisdiction or control over these problems, and that is this, that once (I'm applying it just to the Bill that we are discussing here, Mr. Speaker) there is a reciprocal enforcement of a judgment, the experience has been so many times that it's almost impossible or absolutely difficult for a wife to actually gain some degree of monetary support from the delinquent or defendant husband. In other words, what I'm really saying to the Attorney General is this. We feel it ought to be a matter of public policy that this Bill and the other present related Bills, if I may be given some latitude by the House to discuss them very briefly, ought to set out legislation that would permit a wife who has found to be deserted or has had a judgment reciprocally enforced in the Province of Saskatchewan, after reasonable efforts to obtain the monetary support from her delinquent or defendant husband, to be able to assign the judgment or to refer the judgment to the Department of Welfare or the Department of the Attorney General for payment of the amount as ordered by the reciprocally enforced judgment or in the case of the deserted wife the amount ordered by the deserted wife's judge. In other words, we are saying to the Attorney General that frequently in practice non-support becomes a very real thing. Academically speaking we have a very fine Bill, practically speaking for deserted wives; there are many problems in being able to get to the root and to the source of the financial support they seek. And so they may get a judgment, reciprocally enforced, but then are really left powerless and ineffective because there is no ready means of enforcement or no ready means whereby they can get their support and maintenance. So it's our view that legislation in this Act and The Deserted Wives ought to permit — and perhaps the Hon. Attorney General will consider some amendment in the Committee of the Whole — that a wife, after a reasonable period, should be allowed to transmit the judgment and assign it over to the Department of Welfare (I believe that's the appropriate Department or agency) so that the said Department would then make the payments to the wife in the amount of the order. The Attorney General's office or the Department of Welfare would then be responsible for going after the delinquent husband in getting the money that they are paying to the wife. I think this is a much desirable aspect. It really shifts the onus onto the Department. After all, they do have, despite austerity and other

programs of date, more financial sources at hand in which to pursue this matter. I think it's particularly important when you have children involved in the cases that we are talking about here. I'm not going to take much more time of the House other than to point out to the Members I have photo copies here of some of the relevant provisions in Ontario, Alberta, Manitoba and British Columbia. I've taken the liberty of reviewing them and, in essence, all of the jurisdictions that I've talked about, apart from Ontario, seem to me to have stronger teeth on the question of some sort of public backing and support for the deserted wife, the question of posting a bond, certainly to at least one-half of the total amount of the order that has been reciprocally enforced. I'm not going to take up the time of the House to review this, but I commend it to the attention of the Hon. Attorney General. So as I say in conclusion, Mr. Speaker, I certainly think the legislation is a good piece of legislation, and I'm sure Members on this side of the House will approve it in principle; but I would hope that the Hon. Attorney General will in second reading take notice of some of the observations I have made and perhaps some amendment might be made whereby a judgment so reciprocally enforced could be assigned over to the Department of Welfare or to the Department of the Attorney General.

Mr. Heald: — Mr. Speaker, I don't disagree with the observations made by the Hon. Member for Saskatoon Riversdale (Mr. Romanow). This is a hardy perennial of course — the matter of putting the law into practice. The law is a good law and we've tightened it up as the Hon. Member has said. There are problems of course in the administration of an Act of this kind because what happens is — and Hon. Members will be aware — a chap deserts his wife and dependant children, leaves the Province of Saskatchewan. The wife gets an order for support of herself and her children against this man, when he goes to Newfoundland, or he goes to British Columbia or he goes to the Northwest Territories, or he leaves Canada altogether. Then there comes the practical problem of trying to find him and trying to register the maintenance order which you have in the Province of Saskatchewan in the jurisdiction that he's gone to. Many times when you find him, we'll say perhaps in Prince Rupert or some place in the mines or in the woods in British Columbia, you just find him and you just get the judgment registered there when he takes off again and goes to Alaska or goes to Newfoundland, and it becomes a sort of a trip across Canada from one jurisdiction to another. These are the frustrations of trying to enforce these kind of maintenance orders. Now my friend from Riversdale has suggested an assignment to my Department or to the Department of Social Welfare. We'll look into this, I'm not sure that that's practical and I'm not sure that it is necessary and I'll tell you why. As a matter of practical operation of this Act, we do at the present time, one of my solicitors does engage in this business of registering judgments in other jurisdictions. Mr. Gebhard in my Department is engaged now and has been for some time in the attempt to register these maintenance orders from Saskatchewan in other jurisdictions, so, if these ladies who have

these orders for themselves and their dependant children, get in touch with our Department, we do take steps in co-operation with the Departments of the Attorney General in the other provinces to register these maintenance orders. But as I say, many, many times we are frustrated. By the time we get the order registered in British Columbia, they've gone some place else, and I don't think that any amount of changing the Act is going to improve that situation. I think we have a mobile society, it's a free country. People can leave and can go from one place to another. This is one of the problems.

Insofar as assigning it to the Department, I'm told that the Department of Social Welfare does provide legal assistance to these ladies in getting their court orders in the first instance and certainly my Department insofar as registering these maintenance orders in other jurisdictions is concerned. I will look into it some more, and we will have another discussion about it when we get into Committee.

Motion agreed to and Bill read a second time.

Hon. D.G. Steuart moved second reading of Bill No. 42 — An **Act to amend The Tobacco Tax Act**.

He said: Mr. Speaker, as I announced in the Budget Speech, the Government proposes to increase the tobacco tax on cigarettes, cigars and tobacco products effective March 2, 1968. On cigarettes, which account for over 90 per cent of the tobacco tax, we propose to increase the rate from 1/5 of a cent per cigarette to 8/25 per cigarette for regular and king size and 9/25 per cigarette for super or extra length. Tax on a package of 25 cigarettes, regular or king size, which accounts for about 95 per cent of cigarette sales, will increase from 5 cents a package to 8 cents per package. In comparison with other Provinces, Manitoba imposed the highest taxes in cigarettes equal to 10 cents per package of 25. Ontario recently announced an increase three times the former rate, the tax to be 7 1/2 cents on a package of 25. In Newfoundland the tax on a package of 25 is 6 1/2 cents; Quebec 6 cents; Prince Edward Island and New Brunswick is 5 cents; and Nova Scotia 2 1/2 cents. Alberta and British Columbia did not levy a tobacco tax, although British Columbia collects a 5 per cent sales tax on tobacco sales. The tobacco tax on cigars and tobacco products will be doubled. We estimate the additional revenue will be $1.8 million from this increase. We also propose to amend the Act to include in the definition of tobacco, tobacco substitutes which have been marketed lately. We propose to exempt medicinal substances used for the relief of respiratory conditions, which are taken in the same manner as tobacco. These substances fall in the category of drugs and medicines which we exempt from the sales tax. With this brief explanation, Mr. Speaker, I move second reading of this Bill.

Mr. A.E. Blakeney: (Regina Centre) — Mr. Speaker, when the Treasurer was introducing this Bill he said that he announced in his Budget Speech that

there was going to be an increase in the tax on tobacco products. I think my only observation would be that he did indeed announce it in his Budget Speech. It is a pity that he didn't announce it a little earlier when he was making so very many public announcements to the press and to the public back in August and September. I think the public would have appreciated some more frankness from him at that time. They would have appreciated the announcements of the many taxes that were going to be increased. This is just one of a long series of taxes which we heard enumerated in the Budget Speech, and which we are now going to see enacted by one piece of legislation after another.

Given the fact that some tax increases are necessary — and certainly we don't concede that all the tax increases to be introduced by the Treasurer are necessary — but given the fact that some increases are necessary, I suppose that this tax is the least objectionable or one of the least objectionable of the taxes to be increased. I wish my former colleague, the former Member for Cutknife were here, as he could put enthusiasm into the dastardly nature of a tax on tobacco products. I can't work up his enthusiasm for this and if we accept the fact that we have to have some increases in taxes, this is probably one of the increases which we will object to least. Accordingly I don't have anything further to say about it, except to say that it is a pretty sad commentary on the Government opposite that they have to bring in seven or eight major tax increases in one session. This Bill indicates once again, the, shall we say, disingenuous basis upon which they were elected in October.

Motion agreed to and Bill read a second time.

Mr. Steuart moved second reading of Bill No. 43 — **An Act to amend The Fuel Petroleum Products Act**.

He said: Well, I didn't think that I should disappoint the Hon. Member for Regina Centre (Mr. Blakeney) so I thought I might as well bring in another one this afternoon.

Mr. Speaker, in 1968-69 we estimate total Government highway spending including grid road grants will increase about $70 million. The yield from the tax under The Fuel Petroleum Products Act, if we assumed no change in the rate, would be $37.8 million in 1968-69. Even if we add to this total estimated motor vehicle licence fees based on 1967-68, fees of $11.5 million, total revenue from these two sources would fall short of total highway spending by $20.9 million. We do not suggest that the yield from these sources of revenue should equal total Government highway spending. We recognize that the Government receives other tax revenues that are related to the use of the highway system such as the sales tax. On the other hand, not all the receipts from the gasoline tax are received from users of the highways. However, we believe that most of the costs of our highway systems should be directly borne by the users of the system. For these reasons I announced in the Budget Speech, that effective March 2, 1968, the tax under The Fuel

Petroleum Products Act, would be increased from 15 cents to 17 cents per gallon in the case of gasoline, and from 18 cents to 20 cents per gallon in the case of diesel fuel. We estimate that this increase will yield $4.8 million. Effective April 1, 1968, this 2 cents per gallon tax will be extended to all fuel petroleum products currently non-taxable, which are consumed in internal combustion engines. This will maintain the present differential between taxable and currently non-taxable fuel petroleum products of 15 cents per gallon on gasoline and 18 cents per gallon on diesel fuel. Fuel petroleum products which will be used for any heating purposes and fuel petroleum products which are used for manufacturing and drilling purposes, except when used in internal combustion engines, will be exempt from the 2 cents per gallon tax. The following fuel petroleum products which are currently non-taxable will be subject to the 2 cents per gallon tax on April 1, 1968: 1. aviation fuel when used in aircraft; 2. all purple fuel petroleum products used in internal combustion engines; 3. propane or other liquid petroleum products, bunker fuel and crude oil, when used in internal combustion engines. The following fuels will be exempt from the above mentioned tax: 1. heating fuels; 2. kerosene or coal oil when used in the operating of domestic appliances or for lighting or heating purposes; 3. liquefied petroleum gases including propane and butane when used exclusively for cooking, heating and domestic purposes; 4. solvents and any similar products manufactured and sold for the same purpose; 5. fuels for manufacturing and drilling purposes except when used in internal combustion engines.

We estimate that the 2 cents per gallon tax will yield $3.2 million in 1968-69. Of this amount we estimate the cost to the farmers will be about $2.5 million or some $2 million less than the estimated tax saving on the use of purple fuel in farm trucks. The cost of the 2 cents per gallon tax on other users of fuel petroleum products will be partly offset by the exemption of all taxable fuel petroleum products from the education and health tax. We estimate that the total net additional revenue from this proposed amendment to The Fuel Petroleum Products Act will be $8 million in 1968-69. Five provinces will have higher taxes on gasoline than Saskatchewan; Newfoundland at 20 cents; Nova Scotia 19 cents; Prince Edward Island, New Brunswick, and now Ontario at 18 cents;. Manitoba's tax will be the same as Saskatchewan's at 17 cents. Three Provinces will still be lower: Quebec at 16; Alberta at 12, although this will be increased to 15 cents on June 1st; and British Columbia 13 cents. Four Provinces will still have a higher tax on diesel fuel than Saskatchewan: Nova Scotia 27; Ontario 24; New Brunswick 23; Quebec 22. Newfoundland and Manitoba will have the same rate of tax as Saskatchewan which is 20 cents. Three provinces wi11 have a lower tax on diesel fuel: Prince Edward Island 18 cents; Alberta 14 cents, but this will be increased to 17 cents on June 1st, British Columbia 15 cents.

I understand in Alberta, Mr. Speaker, that on June 1st, the 3 cent per gallon tax will be extended to all fuel petroleum

products, including purple fuel to farmers which are not now subject to tax, except fuel used for heating purposes and used for secondary manufacturing and drilling purposes, except when used in combustion engineering. British Columbia collects a 1 cent per gallon tax on aviation fuel and on colored fuel. In spite of the fact that Saskatchewan has a far greater mileage of highway per capita than any other province in Canada, our gasoline tax will be about the national average. May I remind Members opposite that, while they were in office, the tax on gasoline increased by 7 cents, from 7 to 14 cents, and on diesel fuel increased by 10 cents, from 7 to 17 cents. At the same time the gasoline tax was doubled. The CCF party when they were in office refused to exempt the farmers from this tax on gasoline used in their farm trucks. The Liberal party took office and not only did we allow the farmers to use purple fuel in their farm trucks, but we have also increased highway spending from $24.2 million in 1963-64 to $59.1 million in the current year, an increase of 144 per cent, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — I feel that this tax increase is equitable and it is necessary. I now move that the Bill be read a second time.

Mr. R.H. Wooff: (Turtleford) — I just want to ask the Minister a question. Am I right that oils and greases are taxed?

Mr. Steuart: — They are exempt.

Mr. A.E. Blakeney: (Regina Centre) — Mr. Speaker, we have heard from the Treasurer a second of his tax increases. After hearing them, this will be called Black Friday the second. We have just heard from the Minister of Health (Mr. Grant) and he has announced a particularly unsavory tax increase. We now have the second one from the Provincial Treasurer. The first one was, as I indicated, more savory or aromatic but this one is definitely unsavory and unaromatic.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Because what the Treasurer is doing here is increasing the gasoline tax and applying it for the first time, I believe, in the history of Saskatchewan, on fuels burned by farmers in combines, tractors and other motorized equipment used on their farms. I suggest to you, Mr. Speaker, that there could hardly be a more unpropitious time to apply an additional tax on the cost of farm production than in March, 1968. I think that all of us know the very difficult circumstances under which farmers are laboring. We have had for 10 or 15 years a sharpening cost-price squeeze. We have seen farm costs rise and continue to rise, and we have seen farm prices rise much less rapidly and in some instances not rise at all. Mr. Speaker, the full impact

of this cost-price squeeze has been masked, has been hidden, by two or three events. Firstly, there has been the increase in the price of wheat, which over the last four, five or six years has increased from an amount in the $1.80 or $1.90 range up to $2.17 or thereabouts. Secondly, we have had very large overseas sales for the past five years particularly to Russia and China. Thirdly, we have had five successive better-than-average crops. And these three events have hidden the full impact of the cost-price squeeze in which the farmer found himself. But, Mr. Speaker, during the past 12 months, each of these three features which hid the true situation, has fallen away. I indicated, Mr. Speaker, that we had five successive better-than-average crops. Now I can't speak for what the 1968 wheat crop will be, but its prospects are about normal. We had good sub-surface moisture in fall, but I think that everyone is a little uneasy about this early spring. It is obviously far too early to say what the 1968 crop will be, and I am the last one to offer a prediction. We have several on this side who can do that rather better than I. I see the Minister of Agriculture (Mr. McFarlane) chuckle and when I get into the field of crop predictions he has every right to chuckle.

But at any rate we are far from having a good crop in the bag. The 1967 crop was just above average, and we, therefore, haven't as much wheat on hand as we would have had, had we had a crop such as characterized the early 1960s. Secondly, overseas sales are definitely cloudy. I believe that it was only today that Mr. Gibbings of the Saskatchewan Wheat Pool, speaking to the SARM Convention, gave figures which indicated that the overseas sales in this crop year are just about half of what they were in the last crop year at the same time. Certainly nobody can be anything but alarmed by figures such as that. Thirdly, the price which previously was around the $2.17 mark has dropped to around $1.95 1/2 or thereabouts mark. So we have seen a sharp drop in prices. We have seen a contraction of markets. And we have seen the possibility of a crop which is only average. Each of these is going to mean, and is meaning, that farmers are suffering a growing cash shortage. This hasn't been evident up till now, or it's only been partially evident up to now, but I think that all of us know that there is in fact less cash in the country than there was last year at this time or the year before at this time. This is illustrated in part by the comments earlier today in this House by the Provincial Treasurer (Mr. Steuart) in indicating that sales of Saskatchewan Savings Bonds aren't what they might be. We know that quotas are very much down. I don't have the figures before me, but all of us know that the quotas are very much lower than last year at this time. A large number of delivery points have quotas, which are much lower than they were at this time last year. All of this means, Mr. Speaker, that our farmers are going to be short of cash. We are all hoping that the final payment comes through fairly soon, but even that will only pay for the necessary spring expenses of getting a crop in. I am not saying anything that most Members of the House are not fully aware of. I am saying, Mr. Speaker, that, if this is true, if the farmers are suffering from a growing shortage of cash, this is hardly

the time to impose upon them an additional burden on the costs of production.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In particular, it is hardly the time to pick out an area for taxation which, so far as I am aware, has never before been taxed in Saskatchewan; the taxation of fuels on tractors and combines and other motorized equipment used on the farm. I know that Members opposite attempted to defend this on the grounds that the 2-cent tax on fuel burned in tractors and combines, is counter-balanced, by the exemption from tax on fuel burned in farm trucks. And for many farmers that will be true, although it might be noted that even for those farmers it will be a substantial withdrawal of this plum of tax-free purple gas, on which the Liberals campaigned, They ought, I think, to have had the courage, if they were going to pull back that plum, to have simply withdrawn the tax exemption on purple gas. But instead the Government has gone at it by the back door and it is going to pick up from those farmers substantially equivalent amounts of tax. For many farmers it will not be equivalent. I am not accepting the Treasurer's figures but I am accepting the direction of his figures, that in many cases the amount of tax imposed on fuels burned in tractors and combines will not yet equal the exemption of taxation on purple gas in farm trucks. However, Mr. Speaker, we earlier had in this House an indication of the Government's thinking in this regard. It proposes to maintain which was termed a differential between the cost of gasoline burned in ordinary vehicles and that burned in farm vehicles; a differential of 15 cents a gallon.

Now, Mr. Speaker, a little mathematics will show you that, while the Treasurer can get away with his explanation now that a 2-cent tax on tractor fuel doesn't add up to as much as the exemption of 15 cents on farm trucks, it will not be true if this tax goes up from 2 cents to 3 cents, to 4 cents, as it inevitably will. See where the balance of advantage lies then. As that tax keeps going up and the differential of 15 cents is maintained, the farmer goes further and further in the hole. With a tax of 4 cents, the farmer would be far better off to have no purple gas at all in his farm truck and no taxation on fuel for his tractor and his combine.

This is just a foot in the door. I don't think that the farm people of Saskatchewan will welcome this foot in the door.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This is entirely the wrong tax, entirely at the wrong time. Mr. Speaker, the Provincial Treasurer (Mr. Steuart) was at pains to say that a good deal of money was being spent on highways as opposed to the ordinary citizens. Why people who operate aircraft should be called upon to pay for highways is a

little obscure. I would have welcomed an explanation of why people who burn fuel in many of these vehicles, which are never going to see a highway, should be called upon to pay taxes which the Treasurer indicates are related to the cost of highway construction. We didn't get this explanation. We didn't get it because there isn't any explanation. This is simply a tax imposed on the age-old basis of imposing taxes by the Liberal party. You get it where you can. Never mind whether it is fair, never mind whether it imposes an equal burden, never mind these little factors, if you can get your hands into a man's pocket, get it in there and don't ask any questions. And this is what is being done. Now, Mr. Speaker, some of us didn't have a full opportunity to consider this matter. We didn't really expect the Provincial Treasurer to put in all his tax Bills on this one day, on this Friday. I don't know whether he has a sort of an arrangement to put in all the black news on Friday or not. But there are one or two other things with respect to this tax that I want to raise, and accordingly I beg leave to adjourn the debate.

Debate adjourned.

Hon. A.R. Guy (Minister of public works) moved second reading of Bill No. 25 — **An Act to amend The Water Rights Act**.

He said: Mr. Speaker, the amendments to this Bill No. 25 are of a minor nature and can probably be best handled in Committee. As Members know The Water Rights Act embodies two basic principles: that all surface and ground water in the province is the property of the Crown and the right to use of this water may be obtained by persons complying with the provisions of the Act.

At the present time the Water Resources Commission is in the process of implementing new administration procedures for the processing of applications for water rights; These procedures are designed to speed up the process and to pave the way for recording and retrieving the urgently needed water data that are available. These amendments are required to clarify the intent of the Act to admit the adoption of these more-precise administration procedures and to provide for the licensing of storage projects built for a multi-purpose use. I think probably most of these things can be better discussed in Committee.

Hon. W.S. Lloyd: (Leader of the Opposition) — Mr. Speaker, I think that the Minister is right when he says that it can best be dealt with in Committee. I wonder, however, in order to facilitate that discussion, if he could provide us with either before or after that time, preferably before, a full schedule of charges with respect to licences which may be contemplated in this regard.

Mr. Guy: — Yes, Mr. Speaker, I can do this.

Motion agreed to and Bill read a second time.

Mr. Guy moved second reading of Bill No. 26 — **An Act to amend The Ground Water Conservation Act**.

He said: Yes, Mr. Speaker. in this Act also, the amendments are of a minor nature. The basic purposes of The Ground Water Conservation Act are to collect, analyze, and disseminate the quantitative and qualitative data on ground water resources of the province and to aid the public in developing this resource. Also the second purpose is to establish procedures whereby prospective users of ground water can develop and use the water and establish certain rights in order of precedent and so on. Now to accomplish the first objective it is necessary to have pretty well continuous contact with the well-drillers. The present Act calls for the licensing of the well-driller. The amendment calls for the registration of well drilling machines or rigs. Now the purpose for this is that, under the present Act, the original wording has led to the suggestion that we were licensing the competence of these men to drill wells, which of course wasn't the intent. The amendment corrects this and also helps to provide and maintain a list of drilling machines in the province that would be available to the public. The second objective to establish procedures is pretty well outlined under regulations. Regulations have been passed under the Act providing for a system of licences for ground water use and the second amendment brings the Act into line with these regulations. The Act now provides that every person must notify the Commission prior to drilling a well. We are proposing in the amendment a clause that indicates that, for all uses except domestic, anyone who uses ground water must first of all comply with the regulations pursuant to the Act. Again, I think most of the questions that the Members may have could be answered better in Committee.

Mr. F. Meakes: (Touchwood) — Could I ask the Minister a question? Did you say except domestic use?

Mr. Guy: — Except domestic use.

Motion agreed to and Bill read a second time.

Hon. C.L.B. Estey (Minister of Municipal Affairs) moved second reading of Bill No. 27 — **An Act to amend The Local Improvement Districts Act**.

He said: Mr. Speaker, this Bill deals with amendments to The Local Improvement District Act and is an attempt to bring this Act in line with the provisions of The Rural Municipal Act. The Act deals with the assessing of hamlets without a Minister's order. Other amendments deal with the point which I mentioned in connection with The Rural Municipality Act last night of assessing property leased in the station ground area and the lessee would be taxed as the assessed owner. We are also amending the Act so that the operator of oil and gas wells does not need to give such detailed information to the LID office for assessment

purposes. There is also an amendment to the Act providing for the establishment of a Court of Revision as we find in the other urban Acts and the RM Acts. This is being brought in due to the fact that at the present time an assessment appeal is to the Saskatchewan Assessment Commission insofar as an LID is concerned. The Saskatchewan Assessment Commission, we feel, is receiving too much work of this nature. It would be more advantageous to establish a Court of Revision in the LID for two or three reasons, not only to relieve the Saskatchewan Assessment Commission but to establish the procedure of courts of Revision in the LIDS, so that, when they do come into an RM, they will be acquainted with the procedure. There is also an amendment dealing with the disposition of the proceeds from cultivation leases covering lands in a LID. Mr. Speaker, I think the balance of the Bill can best be dealt with in Committee and I move that Bill No. 27 be now read a second time.

Mr. C.G. Willis: (Melfort-Tisdale) — There are some comments which Members on this side of the House wish to make regarding this Bill at a future time and now I would like to have discussion of this Bill adjourned.

Debate adjourned.

Mr. Estey moved second reading of Bill No. 28 — An Act to amend The Industrial Towns Act.

He said: Mr. Speaker, this deals with amendments to The Industrial Towns Act. I might point out that at the next session of the Legislature we hope to bring in a consolidated Urban Act, as I mentioned 1ast night, and it is quite possible that The Industrial Towns Act will then pass out of existence. The Bill which is before the House provides for the establishment of an industrial town in an LID or a northern administration district. We feel that such an amendment is necessary in the case of Jan Lake. Another amendment to this Act is to give the Minister authority to make grants or loans for the general development of industrial towns, as we feel at the present time the Act only provides for grants for the purpose of administration.

Mr. Speaker, I move that Bill No. 28 be now read a second time.

Mr. C.G. Willis: (Melfort-Tisdale) — Mr. Speaker, for the same reason, I would ask permission to adjourn the debate.

Debate adjourned.

Hon. D.V. Heald (Attorney General) moved second reading of Bill No. 29 — **An Act to provide for the Licensing of Real Estate Brokers and Real Estate Salesmen in Cities and Towns**.

He said: Mr. Speaker, this Act replaces The Real Estate

Agents Licensing Act which was enacted in 1953 and which has not since undergone a general revision. The purpose of this legislation, of course, is to regulate the sale of property by the licensing and bonding of people who are engaged in this type of business. Members of the public are often inexperienced in the buying or selling of their property and to this extent depend on real estate agents for the proper handling of their transactions. This Bill is designed to eliminate problems experienced over the past years by spelling out more clearly existing principles and by incorporating some new provisions. The scope of the Act is being extended to include persons selling their own property where they complete over five such trades in the calendar year, Persons therefore engaged in the business of buying and selling real estate will be required to be licensed and bonded. A few years ago there were some contractors who had taken deposits on property on which they were to build, and they went into bankruptcy. We know of one particular case where a young couple who borrowed the money to make the deposit on a new home lost most if not all of their deposit. So the Act is being extended to include people, like contractors for example, who are building on their own lots, but we have exempted the casual trader and we've made an arbitrary decision in the Act that anybody up to five is really not in the business of buying and selling real estate, so we've exempted five trades. The Act is further extended to apply to persons trading in real estate anywhere in Saskatchewan, if such persons are not residents of Saskatchewan and have not resided in the province for a period of one year. At the present time, for example, a person residing in Calgary may and does in fact — this happens. These people do come into Saskatchewan to trade in ranches and farm land, particularly in the west part of the province. Under the existing Act they don't need a licence or a bond, while a person residing for example, in Regina, is by reason of his place of residence required to be licensed to do the same thing. So it is really unfair competition for a real estate agent under the existing setup to come in from Alberta and not have to get a licence or a bond. So we're changing that.

Now additionally, the Act is being extended to cover people selling subdivision lots outside Saskatchewan. A person selling subdivision lots is now required to be licensed, only if he lives in a Saskatchewan city or town. We've had some abuses of this particular situation where we've had people coming into our province and selling lakefront lots. One, I think of, is in Alberta; another one, I think of, is lots down in Florida — this type of thing — and some of them I'm told are flooded out. We are trying to close the gap here and provide that these people must be registered. The Act also provides that a salesman of a licensed broker, that's a salesman of a licensed real estate agent, must be licensed, even though the salesman does not live in a city or a town and does not trade in real estate in a city or a town. It is our view that the public is not adequately protected, unless the salesman of a licensed broker also must be licensed.

Section 14 of the new Bill is new. It permits terms,

conditions, and restrictions to be attached to a licence and therefore makes the licensing requirements more flexible. This is a similar provision to a provision which we have in The Direct Sellers Act, Motor Dealers Act, Securities. Act and The Saskatchewan Insurance Act.

Section 21 is new. It will provide for a hearing by the superintendent, that's the superintendent of insurance — he's also the superintendent under this Act — and provides for a hearing where a person is dissatisfied with his decision. This provision is designed to give a dissatisfied person further opportunity to state his case. This provision has been copied from The Motor Dealers Act. Now the bonding provisions have been amended to facilitate the carrying out of the intent and purpose of the bond.

Now under existing legislation, a bond is forfeited where a judgment based on the finding of fraud has been obtained against the agent. This Bill will eliminate any reference to fraud and provides for forfeiture where judgment is obtained in respect of a claim arising out of a trade in real estate. Under existing legislation, also, it is necessary in the case of bankruptcy that proceedings be taken under The Canadian Bankruptcy Act to forfeit a bond. This Bill eliminates this requirement, provides that a bond may be forfeited where the agent commits an act of bankruptcy, whether or not proceedings have in fact been taken. Of course an act of bankruptcy is defined in The Bankruptcy Act. This will eliminate, we believe, the expense of appointing a receiver in bankruptcy and the difficulty, which arises when there are no assets of any value to cover the expenses of the receiver. This happens many times. You get people in bankruptcy who have committed acts of bankruptcy, but there are no assets to administer. Still the way the Act is now you'd have. to go through the expense of getting a receiver appointed, appointed in bankruptcy — that's usually at least $500 and sometimes $1,000 — so we have eliminated the expense of appointing a receiver in bankruptcy. Any bond proceeds not expended in settling claims, arising from real estate trades or payment of the expenses of the superintendent, will be refunded through the bonding company.

Sections 25 to 42 of the Bill which have to do with the regulation of trading have undergone extensive revision in order to clarify the intent and purpose of the Act. For example, the type of information to be contained in an offer is stated in Section 29. The Bill also deals with the matter of an agent's commission where a deal is not completed. This has been quite a clause and I'm sure Hon. Members have had cases like this brought to their attention. I'll give you a simple example of a chap who is selling a house through a real estate agent and we'll say that a $500 deposit is put down by the purchaser with the real estate agent. When the purchaser changes his mind and decides not to go through with the deal, now the vendor, the person selling their house, may have gone to a great deal of trouble, may have moved out of the house, may have on the

strength of the sale of his house bought another house, put a deposit on that, and he is subjecting himself to a great deal of loss possibly. The way it is in the existing Act, it is not altogether clear as to who is entitled to retain that deposit. And I know of many cases where the agent has retained the whole deposit because he says, "Well I've earned the commission; it's not my fault that the purchaser welched on the deal." It is true that the agent of course is probably entitled to something because he's done a lot of work. He is maybe entitled to something, but also the vendor has been put perhaps to a great deal of expense and inconvenience. Now in this Bill we are providing that in these circumstances an agent is limited in the amount of his commission to not more than one-half of the forfeited deposit, so that, in my example, if there was a $500 deposit to be forfeited, one-half would be retained by the agent and one-half would be given back to the vendor. We think this is a reasonable kind of adjustment of this kind of situation. It is not satisfactory the way it is.

Now Sections 46 to 50 call for a prospectus and the delivery thereof to every purchaser in the case of the sale of subdivision lots situated outside Saskatchewan. I talked about this a minute ago in another context. The trading of subdivision lots has resulted in many abuses in the United States and other parts of Canada. We've received many inquiries by people outside our province as to requirements in the province. So far we haven't experienced too much difficulty, but we want to avoid these problems of our citizens buying flooded lots in Florida or sand dunes in Arizona. We think that by requiring these prospectuses — they have to put in all the details, they have to certify in much the same manner as prospectuses under The Securities Act — by making these provisions we will be closing the door, I hope, before anybody in the province gets defrauded by this kind of operation. So I think that's a good addition to the Act.

Section 52 provides for heavier and more realistic penalties which may facilitate the enforcement of the Act. In preparing this Section, we have examined corresponding legislation in other jurisdictions and we have tried to carry on along the same lines of other Provinces. Now the Act will provide for a Real Estate Council, appointed by the Saskatchewan Real Estate Association, to act in an advisory capacity to the superintendent and to carry out certain other duties, which it is hoped will generally improve the services rendered by real estate brokers to the public. This has been asked for. As a matter of fact the new Act has been asked for by the Real Estate Association and they particularly asked for this Real Estate Council, and it will be a liaison body. I would at this point like to pay tribute to the Saskatchewan Real Estate Association, because I think in the years that I've been here I think they have demonstrated a genuine concern and interest in improving and upgrading the practice of real estate in the Province of Saskatchewan. And I think their desire to appoint this council to advise the superintendent, the Deputy Provincial Secretary, Mr. Beaudry is a real desire on their part to upgrade the profession, not only in their own interests but in the public interest. Therefore, I think

this is a desirable addition to this Act.

With those few comments, Mr. Speaker, I would move second reading. We can go into details when we get into Committee.

Mr. E. Whelan: (Regina North West) — Mr. Speaker, my remarks shall be brief. I think the changes that have been outlined are good for the real estate industry. The Bill is in reality bringing the legislation for real estate brokers up-to-date, and the legislation is based on the experiences that the real estate industry has had over the last 10 or 15 years. We on this side of the House endorse the Bill and the new sections that are being introduced, I think will be beneficial to both the industry and the general public.

Mr. H.H.P. Baker: (Regina South East) — One question if I may. You mentioned the deposit that may be made by a person buying a home, is that spelled out clear enough in the Act so that what is refunded would be the percentage that real estate brokers are to charge. Now a man may be entitled to 5 per cent of $10,000 — $500. Suppose there is a deposit of $600, is the person protected to that extent that he would get that $100 back?

Mr. Heald: — Very clearly, Mr. Speaker, in the Bill.

Motion agreed to and Bill read a second time.

Hon. D.V. Heald (Attorney General) moved second reading of Bill No. 30 — **An Act providing for Certain Temporary Changes in the Law respecting Agricultural Leaseholds**.

He said: Mr. Speaker, this is a Bill which comes up every three years in the Legislature. It becomes necessary because of the fact that in our province over the last good many years — I suppose 20 or 25 years — and due to the quota system of marketing grain in the province, farmers carry over grain from one year to the next. Actually it is a new Temporary Act, we have to pass it every year, not every three years. Let’s say a tenant has had a three-year lease and the lease expires on December 31, 1968, and then he doesn’t get another lease. The owner of the land gives the lease to somebody else or he sells the land. On December 31, 1968 under the normal law of landlord and tenant, the tenant no longer has any right to enter into possession of this property, this farm, and yet he still has his share of the crop there. This Act provides that, notwithstanding the fact that he may have lost his legal right to enter into these premises for the purposes of getting his share of the crop, he has the right to continue to enter into possession to market his share of the crop. That’s provided. We passed this Act every year I think for the last 15 or 20 years. Section 3 says:

> Notwithstanding anything in any Act or law but subject to the provisions of this Act, where upon the termination of his tenancy any crop grown by a tenant in the year 1967 on land held under his tenancy is threshed but the grain is not removed from the land owing to a shortage of grain storage accommodation or impossibility of sale thereof, the tenant may, after giving three days' notice to the owner of the land, enter upon the land with necessary assistants, vehicles, etc. and remove the grain that belongs to the tenant; and the owner of the land shall afford the tenant every reasonable opportunity to remove the grain.

So this is simply a repetition of the same kind of Act in previous years.

Mr. Speaker, I would move second reading.

Mr. W.J. Berezowsky: (Prince Albert East-Cumberland) — I was going to ask the Minister before he sat down just a question. It seems that we've been passing the said kind of Act for so many years. Now I was just wondering if it couldn't be possible to make it a permanent Act or at least something that would be more or less permanent, so we wouldn't have to go through this procedure each year?

Mr. Heald: — Mr. Speaker, I suppose we could. I suppose it's conceivable that circumstances might change to the point where you didn't need this kind of Act. It has been the procedure, it was the procedure of the former Government to pass it every year; we've just simply carried on the same way. But I'll have a look at that. It might be all right to put it in there and leave it there.

Mr. E. Whelan: (Regina North West) — Mr. Speaker, this legislation represents routine departmental housekeeping and none of us would challenge the value of it, the necessity for it or the legal reasoning which instigates it. Legislation which protects the storage of grain beyond the term of a lease is realistic and practical particularly when grain deliveries are restricted. For many years it was my responsibility and privilege, and I have always considered it as a particular honor, to have been delegated the responsibility for administering this legislation and other similar security legislation. The security contained in the Land Contracts legislation, Limitation of Civil Rights, Farm Security Act, Mediation Board Act, Tax Enforcement, and debt negotiation procedures, represents the wishes of the farm population of Saskatchewan. They express a need written by three different political types of government and each was striving to place on the Statute Books laws that would promote the best interests of rural Saskatchewan. The principles and the procedures and the security and the legislative expression based on actual experience should not be compromised one iota. But I

think, Mr. speaker, we may have arrived at a period in the history of farm security legislation, when it should be updated, modernized and re-written to meet modern times and to solve today's problems. Farming has changed. To protect a quarter section is hardly practical today. Methods have changed. Financing has many new wrinkles. Perhaps we are afraid to study and readjust and update, but one day soon, and it could be anytime, we might need modern, versatile, practical legislation to cope with rural economic problems, instead of bringing in a bit of legislation each time we meet. I think we should look at the overall picture. As a Legislature, I would like to see us prepare for such an emergency. How? Well, no Legislator should proceed in this overhaul of security legislation and modernization of procedures without consulting all parties concerned and particularly our rural residents at every step. Mr. Speaker, I would like to see this Legislature set up an all-party committee to write, after careful study, what might be known as The Farmer's Charter. No more worthwhile undertaking and no more appreciated legislation would exist on our Statute Books, Mr. Speaker, if such a committee did its work diligently, and well. I recommend it to the consideration of Members of this House, regardless of what riding they represent, for we are taxed with the responsibility of representing Saskatchewan. Good legislation in this field — and we might. call the new legislation as I say, The Farmer's Charter — would be in the best interests of all of us. Such legislation in one package, bringing security to rural residents, would indicate our full-fledged interest in the economic welfare of the agricultural industry of our province. I think this Bill is necessary and certainly we are in favor of it. But we should review all the legislation, because at this stage it is very much out of date.

Some Hon. Members: — Hear, hear!

Mr. J. Messer: (Kelsey) — Mr. Speaker, I would just like to comment further to my colleague of Regina North West. This Bill is certainly a good Bill. It hasn't been altered from what it was under the previous Administration, but the agricultural situation has changed considerably since the time that this Bill was introduced. We find that there are much, much more volumes of money being borrowed and in much greater quantities, and the entire economics of agriculture is no longer the way it was when this first Securities Act was brought into this Legislature. I think that it is with merit that a committee should be set up, so that we would have an entirely new Bill in regard to this problem that would keep in pace with the present agricultural needs of this province. I would again urge the Government to look into such a committee and proceed with this.

Mr. Heald: — Mr. Speaker, I am sure that all Hon. Members realize that this Bill deals only with specific problem, not with the whole gamut of farm security. I'm sure that all Hon. Members

will also realize that the legislative competence of a Province with respect to many of the most important matters of farm security is very, very restricted. I refer of course to the matter of interest, the matter of bankruptcy and many, many things we can't do as a Province, and my Hon. Friends when they were the Government found this out. The Government of Alberta found this out, so that while it's highly desirable to do everything we can for farm security — and of course Hon. Members on both sides of the House are interested in the security of our farmers — but I would only point out that many of the things that are sort of inferred in the remarks of the Member for Regina North West (Mr. Whelan) and also inferred in the remarks of the Member for Kelsey (Mr. Messer) are not within the legislative competence of any Province under our Constitution. But of course this particular Act is only a specific matter which needs to be continued from year to year.

Motion agreed to and Bill read a second time.

ADJOURNED DEBATES

The Assembly resumed the adjourned debate on the motion of Hon. W.R. Thatcher (premier) that Bill No. 31 — An Act to amend The Liquor Act (No.1) be now read a second time.

Mr. A. Thibault: (Kinistino) — Stand, Mr. Speaker.

Mr. Thatcher: — Mr. Speaker, we stood this last night. I think that this debate should proceed.

STATEMENT BY MR. SPEAKER

Mr. Speaker: — When a Member moves the adjournment of the debate, he is by practice entitled to speak first to the motion when the debate on it is resumed. Erskine May puts the point in this way:

> On resuming an adjourned debate, the Member who moved the adjournment is, by courtesy, entitled to speak first on the resumption of the debate . . . (17th Edition p. 444).

In this Assembly a Member who adjourns a debate has traditionally been allowed to exercise a measure of choice as to when the debate is resumed. I would emphasize, however, that this tolerance remains a matter of courtesy; it is not a right. Once a motion has been proposed from the Chair, it is technically in the possession of the Assembly, not of the Member adjourning the debate thereon. Thereafter it must be for the Assembly to decide whether and on how many occasions that motion should stand, that is, have its consideration deferred to a later sitting of the House. If a Member indicates that a request for an adjourned motion to stand is not acceptable, debate on that motion must be resumed, but I might add that the Member who had previously adjourned the debate does not thereby lose

his right to participate in the debate later.

Mr. Thatcher: (Premier) — Mr. Speaker, I think this debate should continue. However, since the Hon. Member for Kinistino (Mr. Thibault) is not prepared to continue perhaps, we should let it go by for one more day. But I would hope that on Monday we could proceed with this.

Debate adjourned.

Hon. D.V. Heald (Attorney General) moved second reading of Bill No. 32 — **An Act to amend The Criminal Injuries Compensation Act, 1967**.

He said: Mr. Speaker, the proposed amendments set down in this Bill to amend The Criminal Injuries Compensation Act deal with certain procedural matters of the Crimes Compensation Board established under the Act and are to provide that the program under the Act is retroactive in nature to September 1, 1966. At present the Act provides that the Board may award compensation to certain persons injured as a result of certain crimes of violence. The Act was brought into force in September 1, 1967. By the usual canons of statutory interpretation, awards could only be made in respect of injuries occurring after that date. The amendments proposed will provide that awards of compensation may be made by the Board in respect of injuries suffered under the circumstances set out in the Act on and after the 1st day of September 1966. The proposed amendment will also provide that service of notice of certain documents on persons under disability maybe served by substitutional service, and this shall be sufficient for the purposes of the Act. The retroactive application proposed by these amendments requires a consequential amendment in the provisions of the Act dealing with recovery of amounts of awards from persons convicted of offences. It is proposed that the right of the Board to order a convicted person to reimburse the Board will be limited to those cases of persons convicted after the Act was actually brought into force. I think that is the only fair thing to do.

Mr. A.E. Blakeney: (Regina Centre) Mr. Speaker, I simply want to say that I think that the amendments proposed by the Attorney General are good ones. I think that we hadn't anticipated when the Act was passed the need for its retroactive application in the sense that the Attorney General has described. What really happened is that we made it too far prospective. I agree with his proposals for making it retroactive, and I agree with his handling of the situation with respect to subrogation. I think it is only right that people not be made subject to penalties in a retroactive manner. I think that's rather a bad principle. People act on the basis of the law as they know it and not as it may be changed. I think it is particularly undesirable to make penalties

retroactive as would have been the case, had not the Attorney General provided in the Bill that the subrogation provisions would date from 1967, whereas the recovery provisions would date from 1966. We on this side of the House commended the Minister last year for bringing in his Bill, as it is an imaginative piece of legislation. We thought it was a good idea then. This amendment appears to make it apply to some people to whom it will not otherwise apply. We continue to support it and accordingly welcome the changes proposed by the Attorney General.

Motion agreed to and Bill read a second time.

Mr. Heald (Attorney General) moved second reading of Bill No. 33 — **An Act respecting Collection Agents**.

He said: Mr. Speaker, this is a new Collection Agents Act entitled The Collection Agents Act, 1968 and will replace the present Collection Agents Act which has not been amended in a material way in the past 25 years, at least and maybe longer. In the past year it has been found that four associated companies had failed to pay over collections to the creditors entitled thereto. These are collection agencies, to whom, if you are in business, you give your accounts for collection. We are having some problem with four associated companies in the province. Although convictions have been obtained, it was found that the Act was in many respects inadequate in that the bond of $2,500 specified in the old Act was much too small to reimburse creditors and to pay the expenses of an audit. The bonding provisions have been re-drafted in the new Bill to bring them up-to-date and in line with other similar licensing Acts which we have passed in the last three or four years. The amount of the bond made may be determined by the registrar. Also the circumstances, under which a bond might be forfeited, have been re-drafted to facilitate the obtaining of the bond proceeds and the payment thereof to those persons entitled thereto.

I will give you an example, Mr. Speaker. A bond may be forfeited if a collection agent is convicted of an offence under the Act or of an offence involving theft or fraud under the Criminal Code. It will also be forfeited where a judgment is given against the agent in respect of his business or where he commits an act of bankruptcy. Provision is also made for forfeiture of the bond in certain cases where the collection agent leaves the province without having paid all the monies collected to the creditor, and he takes off. Several collection plans have come to our attention, which do not appear to come within the scope of the present Licensing Act. For example, there is a plan coming along now these days where the agent does not collect any money from the debtors but sends out collection letters urging the debtors to pay directly to the creditor. The agency promotes this plan by engaging in the sale of coupons, usually in books of 50 coupons. Each coupon entitles the creditor to submit one account to the agency for this collection service at any time within five and in some cases ten years.

The price of a coupon usually varies from $2 down to $1.50 depending upon the quantity purchased. Now some merchants, Mr. Speaker, have paid $500 and even more in advance for these coupons. It's an advance fee, sort of and we don't like this kind of proposition. Being an advanced fee plan there is no reassurance that the services will be available when required. These people get the money. Maybe they will be around, and maybe they won't when you start to turn the coupons in. Now generally these agencies are incorporated to avoid personal liability in the event that, after the sales campaign is over, the company finds itself insolvent or bankrupt. To deal with this situation, Mr. Speaker, the Bill includes in its definition of a collection agent, a person who mails the debtors or offers to undertake to mail to debtors on behalf of a creditor, collection letters. This way the licensing and bonding provisions will apply to these people. Another plan in operation, another new one, is the credit card plan, whereby an agency undertakes to pay merchants for goods and services sold to a third party on credit. The definition of a collection agency is extended in this Bill to include a person who engages in the business of providing this kind of service. Experience in other jurisdictions with this kind of a plan suggests the need for regulation and bonding, so we have included it in this new Act. Debtors have complained about the nature of collection letters received from what appeared to them to be a collection agent. We get complaints about some of the activities of some collection agencies, not all of course. On investigation it was found that the writer of some of these letters was the creditor who had adopted a trade name for use in collecting overdue accounts. To enable some regulation over this method of collection, the definition of collection agent has been extended in this Bill to include a person who collects debts owed to him under a name which differs from that under which he is a creditor.

In this way his collection letters will be subject to filing and to rejection by the registrar, if found to be objectionable. We are going to exercise control over the kind of letters that can be written. These threatening letters get pretty rough, if you have seen some of them. The Bill contains the usual licensing and regulatory sections including provisions for a hearing before the registrar by a dissatisfied applicant or licensee and also provision for appeal to a judge in the court of Queen's Bench. And you will note, Mr. Speaker, that in all of these Licensing Bills we are providing for an appeal from the decision of the registrar, who after all is a civil servant, and we think that our citizens should have the right to appeal to a judge, if they disagree with the decision of the registrar.

We are making an effort to keep these provisions uniform in the various Licensing Acts administered by the Department of the Provincial Secretary. Now under this Bill, a collection agent must maintain adequate records which are required to be audited by an auditor satisfactory to the registrar. The auditor is required to prepare a financial report which the

collection agent must file with the registrar within 90 days of the close of his financial or fiscal year.

Mr. Speaker, I suppose that it is true to say that the need for collection agents has become greater in recent years, due to the amount of credit extended. Persons are of course expected to pay their accounts where they can. Collection agents, I am sure, perform an important and useful function in this regard by assisting creditors to obtain monies to which they are lawfully entitled. In some cases they assist debtors in arranging negotiations with his creditor. It is, however, a fact that the operations of a few, and I say a few, collection agents in regard to debtors have to say the least being questionable. For this reason we think that it is necessary, not only to bring in legislation to protect the creditors, but also to protect debtors from undue harassment and hardship. A collection agent is therefore prohibited from collecting any more than the actual amount owing to this creditor, in this Bill. His expenses cannot be added to the account, notwithstanding any agreement to the contrary between the debtor and the creditor. A collection agent is also prohibited from sending a telegraph or making a telephone call at the expense of the debtor — and they have tried that too. The form that he uses must not resemble any summons notice. You have seen this, I am sure, those of you who practise law. The form that he uses must not resemble any summons notice or other documents used in any court. These forms, of course, tend to deceive and confuse the debtor. So, Mr. Speaker, those are the general principles incorporated in this new Act. I think that we have worked at it very carefully. We have tried to correct the abuses that have been brought to our attention, and we have tried to update it in the light of the sophisticated new gimmicks, if you like, that are being used in connection with the collection agency business. I commend this Bill as being an honest attempt to correct abuses which have been brought to our attention in an honest attempt to update this Act.

Mr. R. Romanow: (Saskatoon Riversdale) — Mr. Speaker, I want to first of all commend the Hon. Attorney General (Mr. Heald) and the Government on what most Members on this side of the House, I am sure, will agree is a very desirable piece of legislation.

As pointed out by the Hon. Attorney General those of you who have had . . .

Hon. W.R. Thatcher: (Premier) — We'll have to look at this Bill again.

Mr. Romanow: — I'm only beginning, Mr. Premier. I just want to say that I hope that the Bill isn't used in the collection of deterrent fees and the like.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Nevertheless I want to say that the general principle of this Act, Mr. Speaker, is one that is very desirable. As the Hon. Attorney General has pointed out, from time to time those of us, who have had some dealings in the question of collection agents in the course of practising law, will really support the Attorney General's statement that some of the methods used by collection agents can be, to use his term, rather rough. There are just two comments that I do want to make, however, and I don't know really what can be done by the Attorney General. Perhaps he can have his law officers look into it and we can discuss it further in Committee. And that is in connection with Section 24, which I consider to be a very desirable section, that is the regulation of the form letter which is sent out by the collection agent. I think that this is a particular desirable aspect of the Bill.

It seems to me that the full intent of Section 24 is to make sure that no misrepresentations are presented to the respective debtor and that he is not harassed by false claims or by contact through the mails at any rate. The only comment that I want to direct here — it may be difficult for the Government to incorporate this in legislation — is the question of personal harassment and harassment by telephones and the like. From my reading of the Act it doesn't seem to take that into account and I hope that perhaps some . . .

Mr. Heald: — There are problems.

Mr. Romanow: — That's right, there are problems here. Perhaps maybe the Attorney General could look into it, and we can discuss it further in Committee.

The second comment, generally speaking, the way I read the Bill, Mr. Attorney General, is that I am a little bit worried that this Bill doesn't take into account the quite legitimate and lawful aims of financial institutions. Now part of the projects of financial institutions of course is loaning money and is one we all accept. However, my experience has been that from time to time when the debtor falls into arrears pursuant to a loan by a major financial institution — and I am not talking about banks, now under Federal legislation, but those who are operating in the confines of Saskatchewan — that their collection methods can also be as difficult and as equally rough as the type of institution that the Bill here is designed to deal with, namely, the independent person who is setting himself up in business as a collection agent. Now I notice in Section 2 (b)·that collection agent is defined as a person who collects debts on behalf of others. I think that is a fair summarization, and I don't know how it can be done legally; but I would again commend it to your attention that some provision be made to bring the financial institutions under this general provision. In my experience they have been equally as ruthless, and to use a rather difficult phrase, heartless as some of the

people whom the Attorney General has covered so very ably by this proposed piece of legislation.

So in summary, I bring those two points to the attention of the Government. I commend the Government for what I think is a very worthwhile piece of legislation.

Mr. A.E. Blakeney: (Regina Centre) — Mr. Speaker, I endorse the sentiments expressed by the Member for Riversdale (Mr. Romanow). There are just a couple of aspects of this Bill that I want to raise as advance warning, as you might say, of points to be raised in Committee of the Whole. I am a little concerned about how this will operate with respect to some organizations and I think particularly of credit unions. They have been in the habit, and other organizations have also been in the habit, of entering into agreements, wherein the borrower agrees that he will pay the collection charges if legal action is necessary in order to collect the loan. As I read Section 29, subsection 2, this type of business arrangement, which the credit unions have carried on for a great number of years, might well be prohibited. I will be raising this when we get into Committee.

Mr. Heald: — Not if they collect the charges themselves.

Mr. Blakeney: — Well the credit unions use the Credit Union League and this is a bit of tricky point as to whether this central organization for credit unions is a collection agency.

Mr. Heald: — Collections are in your own name.

Mr. Blakeney: — Yes. So I think this is the issue I will be mentioning. Basically I couldn't agree more with this Bill. Collection of accounts is an area where there is a continuing and perhaps a growing level of abuse. I don't think there is more abuse per credit item outstanding than before; it is just that credit is being much more widely used. It is being granted to people who 25 years ago wouldn't have thought of asking for credit and wouldn't have been granted credit. Accordingly we have a new problem, and this looks like a very forthright approach to the problems which are being raised.

Motion agreed to and Bill read a second time.

ANNOUNCEMENT

BUSINESS OF LEGISLATURE

Hon. W.R. Thatcher: (Premier) — Mr. Speaker, I would like to move that the House do now adjourn. But before doing so, might I say that on Monday we will go first into Committee of the Whole and try and finish off those Bills. Then we will go into second readings again, concentrating on Bill No. 39, having to do with utilization fees.

And when we have finished that Bill, we will go into Estimates, Telephones and Highways.

The Assembly adjourned at 5:21 o'clock p.m.